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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA – WESTERN DIVISION

SWEET PEOPLE APPAREL, INC. d/b/a
MISS ME, a California Corporation, and
RCRV, INC. d/b/a ROCK REVIVAL, a
California Corporation.

Case No.: 2:16-cv-00940-TJH(JCx)

ANSWER TO COMPLAINT

Plaintiffs.

V.

PHOENIX FIBERS, INC., an Arizona corporation, SAC INTERNATIONAL TRADERS, INC., a California corporation, SHAUKAT ALI CHOCHAN, an individual, COMAK TRADING, INC., a California corporation, LYDIA EVILSA TERRAZAS CHO, an individual, MYUNG KWON CHO, an individual, XYZ COMPANIES 1-10, and JOHN AND JANE DOES 1-10.

Defendants.

Defendants , LYDIA EVILSA TERRAZAS CHO and MYUNG KWON CHO
(Defendants) answer the factual allegations in Plaintiffs' Complaint ("Complaint") as follows:

1. Answering the allegations in Paragraphs 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 49, 50, 52, 53, 54, 55, 56, 58, 59, 65, 67, 68, 70, 73, 75, 76, 78, 79, 81, 82, 83, 86, 87, 92 and 93,

1 Defendants cannot admit or deny the truth or falsity of the statements as Defendants have no
2 personal knowledge of the facts stated therein.

3 2. Defendants deny the allegations in Paragraphs 44, 47, 48, 61, 62, 63, 64, 71, 72,
4 77, 84, 85, 90, 91 and 94.

5 3. Answering the allegations in Paragraph 6, Defendants deny the allegations as
6 stated and alleges that Defendants had no knowledge that the products were never intended for
7 distribution and/or sale to consumers.

8 4. Answering the allegations in Paragraph 7, Defendants deny the allegations as
9 stated and alleges that Defendants did not undertake any alleged conduct in bad faith without
10 consent and did not deliberately intend to introduce any of the products without authorization.
11 Defendants further allege that Defendants had no knowledge that Plaintiffs did not authorize the
12 sale and distribution of the product.

13 5. Answering the allegations in Paragraph 13, Defendants admit that Comak
14 Trading, Inc. is a corporation duly organized and existing under the laws of the State of
15 California but deny that it maintains its place of business at 2550 South Soto Street, Vernon,
16 California 90058. Defendants allege Comak Trading Inc. maintains its principal place of business
17 at 2565 Compton Avenue, Los Angeles, CA 90001.

18 6. Answering the allegations in Paragraph 14, Defendants admit that Lydia Cho is
19 the co-owner/president of Comak Trading, Inc. but deny that Lydia Cho partook in any wrongful
20 conduct, and further deny that Lydia Cho is personally responsible and liable for any of Comak
21 Trading, Inc.'s alleged wrongful acts.

22 7. Answering the allegations in Paragraph 15, Defendants admit that Myung Cho is
23 the co-owner/president of Comak Trading, Inc. but deny that Myung Cho partook in any
24 wrongful conduct, and further deny that Myung Cho is personally responsible and liable for any
25 of Comak Trading, Inc.'s alleged wrongful acts.

26 8. Answering the allegations in Paragraph 33, Defendants admit that Comak
27 Trading, Inc. sold denim products, but cannot admit or deny that such products were second
28 quality denim that were donated to Phoenix Fibers because Defendants have no personal

knowledge of the facts stated therein.

9. Answering the allegations in Paragraph 46, Defendants admit that Comak Trading, Inc. sold denim products bearing Plaintiffs' alleged trademarks, but deny that Comak Trading Inc. sold such product with knowledge that the products were materially different from first-quality products authorized for distribution by Plaintiff. Defendants further allege that Comak Trading Inc. purchased any products from other defendants and had no knowledge that such product was unauthorized for sale and/or distribution and purchased such product as a good faith purchaser.

10. Answering the allegations in Paragraph 60, Defendants deny that they intended to cause mistake and deception. Defendants further cannot admit or deny the remaining allegations as they have no personal knowledge of the facts stated therein.

11. Answering the allegations in Paragraph 69, Defendant deny that they intended to cause confusion, mistake and deception. Defendants further cannot admit or deny the remaining allegations as they have no personal knowledge of the facts stated therein.

12. Answering the allegations in Paragraph 89, Defendants deny that they intended to cause confusion, mistake and deception. Defendants further cannot admit or deny the remaining allegations as they have no personal knowledge of the facts stated therein

FIRST AFFIRMATIVE DEFENSE

13. These answering Defendants allege that Plaintiffs' Complaint is frivolous, and was filed without any good faith basis or reasonable cause or belief that a justifiable controversy existed under the facts or law, thus Defendants are entitled to their reasonable costs, and expenses, including attorney's fees, incurred in defending this action, under California Code of civil Procedure Sections 128.5 and 1038, 28 U.S.C. Section 1927, Federal Rules of Civil Procedure Rule 11, and/or other applicable California or Federal law.

SECOND AFFIRMATIVE DEFENSE

14. These answering Defendants allege that the Complaint, and each alleged cause of

1 action, and/or claims and allegations do not state facts sufficient to constitute a cause of action or
2 claim against these answering Defendants under federal law, or do not state a cause of action or
3 claim upon which relief may be granted under federal law.

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5 **THIRD AFFIRMATIVE DEFENSE**

6 15. These answering Defendants allege that if Plaintiffs sustained any injuries or
7 damages as a result of the incident complained of herein, then Plaintiffs proximately caused,
8 aggravated and failed to take proper action to reduce and/or mitigate said injuries or damages.

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FOURTH AFFIRMATIVE DEFENSE

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12 16. These answering Defendants allege that Plaintiffs suffered no legally cognizable
damages as a result of the matters alleged in the Complaint.

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FIFTH AFFIRMATIVE DEFENSE

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16 17. While Defendants deny that Plaintiff has been damaged in any way, if it should be
determined that Plaintiffs, and each of them, have been damaged, then these answering
17 Defendants allege that such damage was not caused by Defendants, but resulted from the
18 conduct of Plaintiffs, and each of them, or others.

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SIXTH AFFIRMATIVE DEFENSE

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22 18. These answering Defendants allege that are informed, believe, and on that basis
allege that any remedies or relief sought in the Complaint, which are generally and specifically
23 denied, are limited by virtue of the limitation of remedies and liability.

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SEVENTH AFFIRMATIVE DEFENSE

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27 19. These answering Defendants hereby expressly reserve the right to raise additional
affirmative defenses at trial as such facts supporting any such affirmative defense may become
28 known to Defendants during the pendency of this action.

1 WHEREFORE, the answering Defendant prays:

2 A. That Plaintiffs take nothing by the Complaint;

3 B. For Defendant's costs of suit herein;

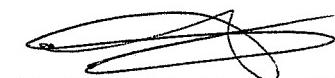
4 C. That the degree of responsibility for damages, if any, be determined and
5 apportioned in proportion to the comparative negligence of the liable tortfeasors and that the
6 determination be made pursuant to, or guided by the principles of, California Civil code Sections
7 1431, 1431.1, and 1431.2, as to the proportional and several responsibilities of all parties;

8 E. For a determination that this lawsuit be deemed a frivolous lawsuit;

9 F. For such order and further relief as this Court may deemed just and proper.

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11 Dated: 5/17/16

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15 Sagi Schwartzberg, Esq.
16 Attorney for Defendant, LYDIA CHO

17 **DEMAND FOR JURY**

18 Defendants hereby demand a jury trial as to all issued framed by the pleading pursuant to
19 Federal Rule of Civil Procedure 38(b) and Local Rule 38-1.

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21 Dated: 5/17/16

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25 Sagi Schwartzberg, Esq.
26 Attorney for Defendant, LYDIA CHO and
27 MYUNG CHO